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AN ACT
RELATING TO PUBLIC PROPERTY; AMENDING THE STATE BUILDING
BONDING ACT TO PROVIDE THAT THE ACT APPLIES ONLY TO THE
ACQUISITION OF STATE OFFICE BUILDINGS; AMENDING LAWS 2001,
CHAPTER 166 TO AUTHORIZE THE ACQUISITION OF CERTAIN PROPERTY
BY THE PROPERTY CONTROL DIVISION OF THE GENERAL SERVICES
DEPARTMENT AND TO APPROPRIATE BOND PROCEEDS FOR CERTAIN
ACTIVITIES OF THE CAPITOL BUILDINGS PLANNING COMMISSION;
MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the State Building Bonding
Act, Section 6-21C-2 NMSA 1978, is enacted to read:

"6-21C-2. FINDINGS AND PURPOSE.--

A. The legislature finds that the expense of
leasing office space for state occupancy has grown to the
point that the state would be better served if more
state-owned facilities were acquired. The legislature
further finds that the state's overall occupancy costs could
be reduced even after taking into account the payments
necessary on bonds issued to acquire additional facilities
and that, therefore, it is economically advantageous for the
state to own additional office space. Further, in
anticipation of the state's future office space needs, the
legislature finds it prudent to establish an office

1 acquisition program.

2 B. The purpose of the State Building Bonding Act
3 is to acquire additional state office buildings by issuing
4 bonds paid for with distributions of gross receipts tax
5 revenue that reflect a portion of the savings that will
6 result from the conversion to more state-owned facilities."

7 Section 2. Section 6-21C-3 NMSA 1978 (being Laws 2001,
8 Chapter 199, Section 3, as amended) is amended to read:

9 "6-21C-3. DEFINITIONS.--As used in the State Building
10 Bonding Act:

11 A. "acquiring" or "acquisition" includes acquiring
12 or acquisition by purchase, construction or renovation; and

13 B. "building bonds" means state office building
14 tax revenue bonds."

15 Section 3. Section 6-21C-4 NMSA 1978 (being Laws 2001,
16 Chapter 199, Section 4, as amended) is amended to read:

17 "6-21C-4. NEW MEXICO FINANCE AUTHORITY SHALL ISSUE
18 BUILDING BONDS--APPROPRIATION OF PROCEEDS.--

19 A. The New Mexico finance authority is authorized
20 to issue and sell revenue bonds, known as "state office
21 building tax revenue bonds", payable solely from the state
22 building bonding fund, in compliance with the State Building
23 Bonding Act for the purpose of acquiring state office
24 buildings when the acquisition has been reviewed by the
25 capitol buildings planning commission and has been authorized

1 by legislative act and the director of the property control
2 division of the general services department has certified the
3 need for the issuance of the bonds.

4 B. The net proceeds from the building bonds are
5 appropriated to the property control division of the general
6 services department for the purpose of acquiring state office
7 buildings, the acquisition of which shall be consistent with
8 the State Building Bonding Act and the authorizing
9 legislation."

10 Section 4. Section 6-21C-5 NMSA 1978 (being Laws 2001,
11 Chapter 199, Section 5, as amended) is amended to read:

12 "6-21C-5. STATE BUILDING BONDING FUND CREATED--MONEY IN
13 THE FUND PLEDGED.--

14 A. The "state building bonding fund" is created as
15 a special fund within the New Mexico finance authority. The
16 fund shall be administered by the New Mexico finance
17 authority as a special account. The fund shall consist of
18 money appropriated and transferred to the fund and gross
19 receipts tax revenues distributed to the fund by law.
20 Earnings of the fund shall be credited to the fund. Balances
21 in the fund at the end of any fiscal year shall remain in the
22 fund, except as provided in this section.

23 B. Money in the state building bonding fund is
24 pledged for the payment of principal and interest on all
25 building bonds issued pursuant to the State Building Bonding

1 Act. Money in the fund is appropriated to the New Mexico
2 finance authority for the purpose of paying debt service,
3 including redemption premiums, on the building bonds and the
4 expenses incurred in the issuance, payment and administration
5 of the bonds.

6 C. On the last day of January and July of each
7 year, the New Mexico finance authority shall estimate the
8 amount needed to make debt service and other payments during
9 the next twelve months from the state building bonding fund
10 on the building bonds issued pursuant to the State Building
11 Bonding Act plus the amount that may be needed for any
12 required reserves. The New Mexico finance authority shall
13 transfer to the general fund any balance in the state
14 building bonding fund above the estimated amounts.

15 D. Any balance remaining in the state building
16 bonding fund shall be transferred to the general fund upon
17 certification by the New Mexico finance authority that:

18 (1) the director of the property control
19 division of the general services department and the New
20 Mexico finance authority have agreed that the building bonds
21 issued pursuant to the State Building Bonding Act have been
22 retired, that no additional obligations of the state building
23 bonding fund exist and that no additional expenditures from
24 the fund are necessary; or

25 (2) a court of jurisdiction has ruled that

1 the building bonds have been retired, that no additional
2 obligations of the state building bonding fund exist and that
3 no additional expenditures from the fund are necessary.

4 E. The building bonds issued pursuant to the State
5 Building Bonding Act shall be payable solely from the state
6 building bonding fund or, with the approval of the
7 bondholders, such other special funds as may be provided by
8 law and do not create an obligation or indebtedness of the
9 state within the meaning of any constitutional provision. No
10 breach of any contractual obligation incurred pursuant to
11 that act shall impose a pecuniary liability or a charge upon
12 the general credit or taxing power of the state, and the
13 bonds are not general obligations for which the state's full
14 faith and credit is pledged.

15 F. The state does hereby pledge that the state
16 building bonding fund shall be used only for the purposes
17 specified in this section and pledged first to pay the debt
18 service on the building bonds issued pursuant to the State
19 Building Bonding Act. The state further pledges that any law
20 authorizing the distribution of taxes or other revenues to
21 the state building bonding fund or authorizing expenditures
22 from the fund shall not be amended or repealed or otherwise
23 modified so as to impair the bonds to which the state
24 building bonding fund is dedicated as provided in this
25 section."

1 Section 5. Section 6-21C-8 NMSA 1978 (being Laws 2001,
2 Chapter 199, Section 8, as amended) is amended to read:

3 "6-21C-8. PROCEDURE FOR SALE OF BUILDING BONDS.--

4 A. Building bonds shall be sold by the New Mexico
5 finance authority at such times and in such manner as the
6 authority may elect, consistent with the need of the property
7 control division of the general services department, either
8 at private sale for a negotiated price or to the highest
9 bidder at public sale for cash at not less than par and
10 accrued interest.

11 B. In connection with any public sale of building
12 bonds, the New Mexico finance authority shall publish a
13 notice of the time and place of sale in a newspaper of
14 general circulation in the state and also in a recognized
15 financial journal outside the state. Such publication shall
16 be made once each week for two consecutive weeks prior to the
17 date fixed for such sale, the last publication to be two
18 business days prior to the date of sale. Such notice shall
19 specify the amount, denomination, maturity and description of
20 the bonds to be offered for sale and the place, day and hour
21 at which sealed bids therefor shall be received. All bids,
22 except that of the state, shall be accompanied by a deposit
23 of two percent of the principal amount of the bonds.
24 Deposits of unsuccessful bidders shall be returned upon
25 rejection of the bid. At the time and place specified in

1 such notice, the New Mexico finance authority shall open the
2 bids in public and shall award the bonds, or any part
3 thereof, to the bidder or bidders offering the best price.
4 The New Mexico finance authority may reject any or all bids
5 and readvertise.

6 C. The New Mexico finance authority may sell a
7 building bond issue, or any part thereof, to the state or to
8 one or more investment bankers or institutional investors at
9 private sale."

10 Section 6. Laws 2001, Chapter 166, Section 1 is amended
11 to read:

12 "Section 1. AUTHORIZATION TO ACQUIRE PROPERTY--
13 APPROPRIATION.--

14 A. In order to acquire the following properties
15 for use as state agency offices in Santa Fe county, the
16 property control division of the general services department
17 may:

18 (1) purchase and renovate, equip and furnish
19 the national education association building on South Capitol
20 street;

21 (2) plan, design, construct, equip and
22 furnish a new office building with integrated parking at the
23 west capitol complex on Cerrillos road, pursuant to the
24 design funded by Subsection I of Section 14 of Chapter 118 of
25 Laws 1998, at a price not to exceed twenty-five million

1 dollars (\$25,000,000);

2 (3) purchase and renovate, equip and furnish
3 the public employees retirement association building on Paseo
4 de Peralta; and

5 (4) purchase land within or in close
6 proximity to the public safety campus as set out in the
7 capitol buildings master plan developed by the capitol
8 buildings planning commission; provided that no land shall be
9 purchased pursuant to this paragraph that does not have, in
10 place, water, sewer, electricity and other necessary
11 infrastructure.

12 B. The acquisitions of property pursuant to
13 Subsection A of this section shall be made in the priority
14 order listed in that subsection. Purchases authorized in
15 Paragraphs (1), (2) and (4) of Subsection A of this section
16 shall be made at a price not to exceed the value of the
17 property established by the taxation and revenue department
18 using generally accepted appraisal techniques for the type of
19 property purchased. The purchase authorized in Paragraph (3)
20 of Subsection A of this section shall be made at a price
21 negotiated with the retirement board of the public employees
22 retirement association that is not less than the fair market
23 value of the property and building.

24 C. If state office building tax revenue bonds
25 issued pursuant to Laws 2001, Chapter 166, Section 2 are

1 outstanding, then, as amounts become available in the
2 property control reserve fund, as much of the property
3 control reserve fund as is necessary to pay the debt service
4 and other payments on the bonds plus any amount needed for
5 any required reserves shall be transferred from the property
6 control reserve fund to the state office building bonding
7 fund.

8 D. If state office building tax revenue bonds have
9 not been issued pursuant to Laws 2001, Chapter 166, Section 2
10 or if the bonds have been issued but are no longer
11 outstanding, then, as amounts become available in the
12 property control reserve fund, as much of the property
13 control reserve fund as is necessary to comply with the
14 provisions of Subsection A of this section is appropriated to
15 the property control division of the general services
16 department for expenditure in fiscal year 2001 and subsequent
17 fiscal years."

18 Section 7. Laws 2001, Chapter 166, Section 2 is amended
19 to read:

20 "Section 2. STATE OFFICE BUILDING TAX REVENUE BONDS--
21 AUTHORIZATION--CONTINGENCY.--

22 A. The New Mexico finance authority may issue and
23 sell state office building tax revenue bonds in compliance
24 with the State Office Building Acquisition Bonding Act in a
25 total amount not to exceed seventy-five million dollars

1 (\$75,000,000) when the director of the property control
2 division of the general services department certifies to the
3 authority that the proceeds from the state office building
4 tax revenue bonds are needed to acquire one or more of the
5 properties specified in Laws 2001, Chapter 166, Section 1.
6 The authority shall schedule the issuance and sale of the
7 bonds in the most expeditious and economical manner possible
8 upon a finding by the authority that the acquisition can
9 proceed within a reasonable time. The authority shall
10 further take the appropriate steps necessary to comply with
11 the Internal Revenue Code of 1986, as amended. Except as
12 provided in Subsection B of this section, proceeds from the
13 sale of the bonds are appropriated to the property control
14 division of the general services department for expenditure
15 in fiscal year 2001 and subsequent fiscal years for the
16 purpose of making the acquisitions pursuant to Laws 2001,
17 Chapter 166, Section 1.

18 B. Two hundred fifty thousand dollars (\$250,000)
19 of the bond proceeds are appropriated to the legislative
20 council service for expenditure in fiscal years 2004 through
21 2007 for the purpose of providing funding for the capitol
22 buildings planning commission, master planning process for
23 state facilities and for annual updates to master plans, but
24 excluding any payments for salaries, benefits and costs of
25 state employees. Any unexpended or unencumbered balance

1 remaining at the end of fiscal year 2007 shall revert to the
2 state building bonding fund.

3 C. The authorization made in Subsection A of this
4 section is contingent upon the enactment into law of the
5 State Office Building Acquisition Bonding Act by the first
6 session of the forty-fifth legislature."

7 Section 8. TEMPORARY PROVISION--OUTSTANDING STATE
8 MUSEUM TAX REVENUE BONDS.--Nothing in this act shall be
9 deemed to impair state museum tax revenue bonds outstanding
10 on the effective date of this act. For the purposes of the
11 obligations incurred with respect to those bonds:

12 A. the bonds shall be deemed to be "building
13 bonds" pursuant to the provisions of the State Building
14 Bonding Act;

15 B. money in the state building bonding fund is
16 pledged for the payment of principal and interest on those
17 bonds to the same extent as the fund was pledged prior to the
18 effective date of this 2004 act; and

19 C. the state further pledges that any law
20 authorizing the distribution of taxes or other revenues to the
21 state building bonding fund or authorizing expenditures from
22 the fund shall not be amended or repealed or otherwise
23 modified so as to impair those bonds. _____